

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7706**

**BILL NUMBER:** HB 1616

**NOTE PREPARED:** Jan 10, 2005

**BILL AMENDED:**

**SUBJECT:** Local school funding.

**FIRST AUTHOR:** Rep. Buck

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**      **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Eliminates the authority of a school corporation to impose a property tax for the school corporation's general fund that is due and payable after December 31, 2006. Imposes an income tax for schools. Requires taxes collected in a school corporation to be distributed to the school corporation. Establishes an expenditure limit for school corporations. Provides that a school corporation's income tax distributions may not exceed its expenditure limit. Provides for distributions to school corporations that are unable to raise the revenue permitted by their expenditure limits. Establishes a fiscal year budget cycle for school corporations. Requires the state board of accounts to establish a standardized accounting system for schools.

**Effective Date:** July 1, 2005; January 1, 2007.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Chuck Mayfield, 317-232-4825.